

STATE OF MICHIGAN
IN THE 30TH JUDICIAL CIRCUIT
COUNTY OF INGHAM

MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY, and
STEVEN E. CHESTER, Director of the
Michigan Department of Environmental
Quality,

File No. 03-1662-CE

Hon. James R. Giddings

Plaintiffs,

v

VREBA-HOFF DAIRY, LLC,

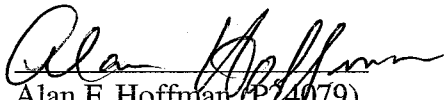
Defendant.

SETTLEMENT OF DISPUTE RESOLUTION

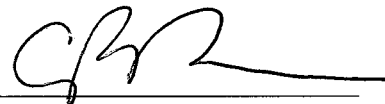
Plaintiffs initiated the dispute resolution process set forth in Section XVII of the Interim Order regarding Defendant's alleged failure to comply with the Court's Orders regarding financial assurance and payment of penalties. The parties agree to resolve the dispute in accordance with the following terms:

1. Within 30 days of this agreement, Defendant shall obtain and submit to Plaintiffs a copy of a certification from a licensed engineer in accordance with XVIII D. and XXI E.2. of the Interim Order that the EarthMentor Treatment Systems for each dairy operation are constructed as designed and capable of treating agricultural waste produced.
2. Defendant shall pay to the State of Michigan the \$180,000 civil fines set forth in XVIII D. of the Interim Order in six installments of \$30,000 every 30 days starting no later than 30 days after the date of the Engineer's Certification as provided to Plaintiffs.
3. Defendant shall provide the State with evidence of financial assurance in the amount of \$400,000 as provided in IX C.8 of the Interim Order. Assurance may be presented in increments of \$40,000 every 30 days starting no later than 30 days after the date of the Engineer's Certification.

4. In the event Defendant fails to do any of the following: 1) obtain a timely certification from a licensed engineer, 2) make any of the aforementioned payments in a timely manner, 3) secure the financial assurance as stated, then Defendant agrees to the entry of a stipulated court order providing an automatic lien on Defendant's property in favor of the State for the remaining amount.


Alan F. Hoffman (P24079)
Attorney for Plaintiffs

6/22/10
Date


Charles Bappert (P41647)
Attorney for Defendant

June 21, 2010
Date